



➤ Enclose with Form 740, 740-NP or 741.

➤ See federal instructions for Form 8582.

Enter name(s) as shown on tax return.

Social Security or Federal Identification Number

**PART I—2024 Passive Activity Loss (See instructions)**

**Caution: Complete Parts IV and V before completing Part I.**

**Rental Real Estate Activities With Active Participation** (For the definition of active participation, see Active Participation in a Rental Real Estate Activity in the federal instructions.)

1 a	Activities with net income (from Part IV, column (a))	1a		00
b	Activities with net loss (from Part IV, column (b))	1b	(	00)
c	Prior year unallowed losses (from Part IV, column (c))	1c	(	00)
d	Combine lines 1(a) through 1(c)	1d		00

**All Other Passive Activities**

2 a	Activities with net income (from Part V, column (a))	2a		00
b	Activities with net loss (from Part V, column (b))	2b	(	00)
c	Prior year unallowed losses (from Part V, column (c))	2c	(	00)
d	Combine lines 2(a) through 2(c)	2d		00

3	Combine lines 1(d) and 2(d). If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1(c) or 2(c). <b>Do not</b> complete Form 8582-K. Report the losses on the forms and schedules normally used	3		00
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- If line 3 is a loss and:
- line 1(d) is a loss, go to Part II.
  - line 2(d) is a loss (and line 1(d) is zero or more), skip Part II and go to line 10.

**Caution:** If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II. Instead, go to line 10.

**PART II—Special Allowance for Rental Real Estate With Active Participation**

**Note:** See federal instructions for how to treat numbers as positive amounts in Part II.

4	Enter the smaller of the loss on line 1(d) or the loss on line 3	4		00
5	Enter \$150,000; \$75,000 if married filing separately or separate on a combined return	5		00
6	Enter modified adjusted gross income, but not less than zero (see federal instructions). If line 6 is equal to or greater than line 5, skip lines 7 and 8, enter zero on line 9. Otherwise, go to line 7	6		00
7	Subtract line 6 from line 5	7		00
8	Multiply line 7 by 50% (.5). Do not enter more than \$25,000; \$12,500 if filing separately or separate on a combined return	8		00
9	Enter the <b>smaller</b> of line 4 or line 8	9		00

**PART III—Total Losses Allowed**

10	Add the income, if any, on lines 1(a) and 2(a) and enter the total	10		00
11	<b>Total losses allowed from all passive activities for 2024.</b> Add lines 9 and 10. Form 740 filers see instructions; other filers see federal instructions on how to report the losses on your tax return	11		00

**PART IV—Complete This Part Before Part I, Lines 1(a), 1(b), and 1(c).** See instructions.

Name of activity	Current Year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
<b>Total.</b> Enter on Part I, lines 1(a), 1(b), and 1(c) ➤					



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**PART V—Complete This Part Before Part I, Lines 2(a), 2(b), and 2(c).** See instructions.

Name of activity	Current Year		Prior years	Overall gain or loss	
	(a) Net income (line 2a)	(b) Net loss (line 2b)	(c) Unallowed loss (line 2c)	(d) Gain	(e) Loss
<b>Total.</b> Enter on Part I, lines 2(a), 2(b), and 2(c) ▶					

**PART VI—Use This Part if an Amount Is Shown on Part II, Line 9.** See instructions.

Name of activity	Form or Schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a)
<b>Total</b> .....	▶		<b>1.00</b>		

**PART VII—Allocation of Unallowed Losses.** See instructions.

Name of activity	Form or Schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
<b>Total</b> .....	▶		<b>1.00</b>	

**PART VIII—Allowed Losses.** See instructions.

Name of activity	Form or Schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
<b>Total</b> .....	▶			



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**PART IX—Activities With Losses Reported on Two or More Forms or Schedules.** See instructions.

Name of activity:	(a)	(b)	(c) Ratio	(d) Unallowed Loss	(e) Allowed Loss
<b>Form or schedule and line number to be reported on (see instructions):</b>					
<b>1a</b> Net loss plus prior year unallowed loss from form or schedule .....					
<b>b</b> Net income from form or schedule .....					
<b>c</b> Subtract line 1b from line 1a. If zero or less, enter -0- .....					
<b>Form or schedule and line number to be reported on (see instructions):</b>					
<b>1a</b> Net loss plus prior year unallowed loss from form or schedule .....					
<b>b</b> Net income from form or schedule .....					
<b>c</b> Subtract line 1b from line 1a. If zero or less, enter -0- .....					
<b>Form or schedule and line number to be reported on (see instructions):</b>					
<b>1a</b> Net loss plus prior year unallowed loss from form or schedule .....					
<b>b</b> Net income from form or schedule .....					
<b>c</b> Subtract line 1b from line 1a. If zero or less, enter -0- .....					
<b>Total</b> .....			<b>1.00</b>		

**PURPOSE OF FORM**—Form 8582-K is used when the allowable Kentucky passive losses for the taxable year differ from allowable federal passive losses. The worksheet is used to calculate the additions or subtractions to federal adjusted gross income in determining Kentucky adjusted gross income.

Form 8582-K must be completed using Kentucky income (losses) if: (1) federal Form 8582, Passive Activity Loss Limitations, is required and Kentucky passive income (losses) and federal passive income (losses) are different or (2) Kentucky prior year unallowed (suspended) losses and federal prior year unallowed (suspended) losses are different.

If Form 8582-K is **not required**, include adjustments for any differences in Kentucky passive income/loss and federal passive income/loss on the appropriate lines of Schedule M.

If Form 8582-K is **required**, do not include on Schedule M other adjustments to federal adjusted gross income for passive activities.

Complete all Parts of Form 8582-K using the federal instructions for Form 8582 and Kentucky amounts for all entries.

Complete the Passive Activities Adjustment Worksheet to compute an addition or subtraction to be entered on Schedule M for passive activities.

**\*NOTE:** If a separate/combined return is being filed for Kentucky, and the federal return is filed jointly, complete separate Kentucky Forms 8582-K, worksheets and schedules for each spouse. If an activity is jointly owned, fifty percent (50%) of the total income or loss should be allocated to each spouse with his or her separately owned income or losses. In all cases each item must be identified on the federal schedules as T—taxpayer, S—spouse or J—jointly to properly determine income on a separate basis. On lines B and D of the worksheet enter each spouse’s portion of the joint federal income. The federal passive loss limitations will still be computed on a joint basis. **Do not recompute the joint federal Form 8582 on a separate basis to compare to the Kentucky Forms 8582-K.**

**Passive Activities Adjustment Worksheet**

A	Enter as a negative amount Kentucky allowable losses from line 11, Form 8582-K .....		00	
B	Enter as a positive amount federal allowable losses from federal Form 8582** .....		00	
C	Enter as a positive amount Kentucky passive income from line 10, Form 8582-K.....		00	
D	Enter as a negative amount federal passive income from federal Form 8582** .....		00	
E	Passive income or loss adjustment. Combine lines A, B, C and D.....			00

If the amount on line E is positive, enter as an Other Addition on Schedule M. If the amount on line E is negative, enter as an Other Subtraction on Schedule M.

\*\* If federal Form 8582 is not required, enter on line B any passive losses included in federal adjusted gross income. Also, enter on line D any passive income included in federal adjusted gross income.